**MINUTES OF THE VINEYARD**
**REDEVELOPMENT AGENCY BOARD MEETING**
City Council Chambers
125 South Main Street, Vineyard, Utah
July 10, 2019 – 7:35 PM

| **Present** | **Absent** |
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| Chair Julie Fullmer | |
| Boardmember John Earnest | |
| Boardmember Tyce Flake | |
| Boardmember Chris Judd | |
| Boardmember Nate Riley | |

**Staff Present:** City Manager/Finance Director Jacob McHargue, Public Works Director/City Engineer Don Overson, Assistant City Engineer Chris Wilson, City Attorney David Church, Community Development Director Morgan Brim, Planning Commission Chair Cristy Welsh, City Planner Elizabeth Hart, City Recorder Pamela Spencer, Building Official George Reid, Water/Parks Manager Sullivan Love

**Others Speaking:** AJ Pepper with Snell and Wilmer, Brian Hansen with X Development

## 1. CALL TO ORDER

Chair Fullmer opened the meeting at 7:35 PM.

## 2. CONSENT AGENDA

**2.1.** Approval of the June 26, 2019 RDA Meeting Minutes

Chair Fullmer called for a motion.

**Motion:** BOARDMEMBER EARNEST MOVED TO APPROVE THE JUNE 26, 2019 RDA MEETING MINUTES. BOARDMEMBER JUDD SECONDED THE MOTION. CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, JUDD, AND RILEY VOTED AYE. MOTION CARRIED UNANIMOUSLY.

## 3. BUSINESS ITEMS

**3.1 DISCUSSION AND ACTION – Tax Increment Participation Agreement with Fifty Mill LLC**

City Manager Jacob McHargue will present the Tax Increment Participation Agreement between the Vineyard Redevelopment Agency and Fifty Mill LLC. The RDA Board will take appropriate action.

Chair Fullmer turned the time over to City Manager/Finance Director Jacob McHargue.

Mr. McHargue explained that the RDA had agreed to a tax increment reimbursement agreement which would allow a golf facility to be built in the city. He reminded the board that this was a 12-year participation agreement with an upfront component that the city would be paying towards infrastructure, permit and impact fees. He said that there was also an ongoing tax increment contribution that would be generated on the site. He mentioned that they were talking about the parcel just south of the Megaplex and that there would be an office building, medical buildings, and a golf facility similar Topgolf in Taylorsville.

Boardmember Earnest asked if they could name the restaurant that would be located at the golf facility. AJ Pepper with Snell and Wilmer explained that it was still confidential because they were still in discussions with the company. He added that they would make it public as soon as they were able to.

Mr. Church said that he and Mr. McHargue had attempted to include in the agreement the items included in the board's original motion. He stated for the record that the Redevelopment Agency would be paying upfront costs. He read the portion of the agreement where this information was located. He added that they had moved the dates to reflect the January agreement.

Boardmember Judd wanted to know why the project had not moved and what the developer's plans were. Mr. Pepper explained that they had been working with the city and that it had taken some time. He mentioned that for purposes of the tax triggering it would be in the same tax years as the original timeline.

Brian Hansen with X Development explained that their final site plan was scheduled to be on the Planning Commission agenda for next week and then they would be submitting for building permits in August. He mentioned that they had already been working on infrastructure. Chair Fullmer stated that part of the agreement was that the final site plan design was to come back to the RDA Board for approval. There was a discussion about the site plan approval. Mr. Church reminded everyone that the agreement stated that the golf facility would come back to the RDA Board for final approval. The discussion continued. Mr. Church read the approval process written in the agreement.

Boardmember Judd asked why they needed the last sentence in Section 2a of the agreement, which reads "The Approved Plans and Specifications may be modified by the Company from time to time to address changes that do not diminish the overall scope, quality or character of the Golf Facility as previously approved." Mr. Pepper said that from the developer perspective, it was typical language to allow for minor changes in the field, such as construction materials. Boardmember Judd asked if the RDA Board would want to see those changes first, because they were putting money upfront and using future tax increment, so it should be their responsibility to determine whether changes would diminish the scope and quality of the project. Mr. Pepper felt that this was a practical issue with the timing that would affect the construction schedule by having to go back to the board for approval. Mr. Church suggested that if the board was not comfortable that they pass the agreement without the last sentence. Mr. McHargue explained that if any changes were made it would have to be approved by staff. Boardmember Judd asked if that meant there was control on the city side but not the RDA Board. Mr. Church affirmed that statement and reiterated that if they were uncomfortable with language in the agreement that they approve it without the wording. Mr. Hansen gave the example of how in the first phase in front of the Megaplex they were going to use one product, and had problems with it so they had to use a different material which they felt did not diminish the quality of the project.

Boardmember Riley stated that he did not feel that the wording was specific enough. He expressed concern with not having enough guidelines in place to get the quality and look they wanted. He gave the example of the square house in The Lakes at Sleepy Ridge subdivision, which was permitted because of loose working in the code. He said that if the project was not going be what they had looked at and approved, then the developer needed to realize that any changes would need to be reviewed and would to take time. Mr. Church explained that changes could be made if it met code.

Mr. Pepper said that they specifically identified in the agreement the scope of the amenities that would be included.

Chair Fullmer stated that the RDA Board had asked that the site plan come back to them, which was out of the normal scope of operations and would require more time from city staff and the Planning Commission. She wondered if the wording was not going to fit the spirit of what they were hoping to create.

Mr. Pepper proposed that they add in 2b (change in red) "The Approved Plans and Specifications may be modified by the Company from time to time to address aesthetic nonstructural changes that do not diminish the overall scope, quality or character of the Golf Facility as previously approved." Mr. Church replied that the aesthetics were very important to the agency. Mr. Pepper suggested that they include language stating that the changes did not affect the value of the project or the outlay of capital improvements. Boardmember Riley felt that that language would not address his concerns. He gave a hypothetical example of where the developer might decide to change the colors of the exterior from what was already presented and the developer might not feel that it changed the value, but the board would feel that it would be a substantial enough of a material change, and would want to approve it.

Boardmember Flake said that after attending the previous presentations he felt that there had been substantial changes which did not conform to the original presentation. He also expressed concern with the language in 2b. Chair Fullmer felt that addressing the value would not be enough and that any changes should come back to the board for approval. Mr. Pepper felt that they could do that but was concerned with the timing and how quickly they could get in front of the board. Boardmember Judd suggested that they could add "that the RDA would be accommodating in having a special meeting to accommodate time concerns within reason." Mr. Pepper suggested that they put a time period in the agreement so it could be incorporated into the construction contract. There was a discussion about the timing of the changes. Mr. Pepper suggested that they have time frame of five to seven business days.

Mr. Brim mentioned that there was a public hearing scheduled for next Wednesday's Planning Commission meeting to approve a conditional use permit. They would also be reviewing and approving the site plan. Mr. Church explained that if the developers wanted the board's money, then according to the agreement the board had to approve, in a public meeting, the site plans, layouts, development and construction timeline, architectural renderings and exterior elevations of the golf facility. Mr. Brim replied that the Planning Commission would be approving the site plan at the same time as the conditional use permit. There was a discussion about the timing of the changes and the approval process. Boardmember Riley felt that a two-week time frame would be sufficient. The discussion continued.

Mr. Hansen felt that most of the changes would be minimal. He said that they would submit the changes through the proper channels and asked that the board give them a quick return so they could stay on track. He felt that the board could respond by emails.

Mr. Church said that this agreement had nothing to do with materials such as different carpet, etc. They should not be able to change the site plan, architectural rendering, or exterior elevations. He said that they were going to present a construction timeline and felt that they would not be coming back saying they needed something changed tomorrow. He said that he did not feel that any of these things were time critical, where you would need a decision the next day. He felt that it was the big items they were concerned about. Boardmember Judd felt that the two statements in 2a were contradictory. The discussion continued. Mr. Pepper stated that with the information Mr. Church presented, they would be okay with striking the language in the second part of 2a.

Boardmember Riley asked what procedure was in place for auditing to ensure where the RDA money was being spent. Mr. McHargue replied that it would be a reimbursement. They would submit paid invoices.

Boardmember Judd recommended that they require lien waiver releases for the infrastructure. There was a discussion about the impact and permit fees.

Boardmember Riley said that his biggest concern was if the money went to third-party fees. Mr. McHargue said that the only third-party fee would be impact fees to Timpanogos Special Service District. Boardmember Riley stated that he wanted to make sure that the funds were being spent appropriately. Mr. McHargue reassured the board that he would make sure that funds were allocated appropriately. Mr. Church added that the city required verification that there were no liens on the public infrastructure received by the city.

Chair Fullmer called for further questions. Hearing none, she called for a motion.

**Motion:** BOARDMEMBER JUDD MOVED TO AUTHORIZE THE CHAIR TO SIGN THE RDA TAX INCREMENT PARTICIPATION AGREEMENT WITH FIFTY MILL LLC WITH THE AMENDED CHANGES TO SECTION 2A, THAT THEY STRIKE THE SENTENCE "THE APPROVED PLANS AND SPECIFICATIONS MAY BE MODIFIED BY THE COMPANY FROM TIME TO TIME TO ADDRESS CHANGES THAT DO NOT DIMINISH THE OVERALL SCOPE, QUALITY OR CHARACTER OF THE GOLF FACILITY AS PREVIOUSLY APPROVED." IN SECTION 3A THEY ADD THAT IF ANY OF THE $450,000 FUNDS ARE PAID OUTSIDE TO ANYTHING OTHER THAN CITY PERMIT FEES OR IMPACT FEES PAYABLE TO THE CITY, THAT LIEN RELEASES ARE REQUIRED AS A PART OF THAT. BOARDMEMBER EARNEST SECONDED THE MOTION. ROLL CALL WENT AS FOLLOW: CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, JUDD, AND RILEY VOTED AYE. MOTION CARRIED UNANIMOUSLY.

**4. ADJOURNMENT**

Chair Fullmer called for a motion to adjourn the meeting.

**Motion:** BOARDMEMBER FLAKE MOVED TO ADJOURN THE MEETING AT 8:14 PM. BOARDMEMBER JUDD SECONDED THE MOTION. CHAIR FULLMER, BOARDMEMBERS EARNEST, FLAKE, JUDD, AND RILEY VOTED AYE. MOTION CARRIED UNANIMOUSLY.

RDA meeting are scheduled as necessary.

MINUTES APPROVED ON: August 14, 2019

CERTIFIED CORRECT BY: /s/ Pamela Spencer
PAMELA SPENCER, CITY RECORDER